

## MEMORANDUM



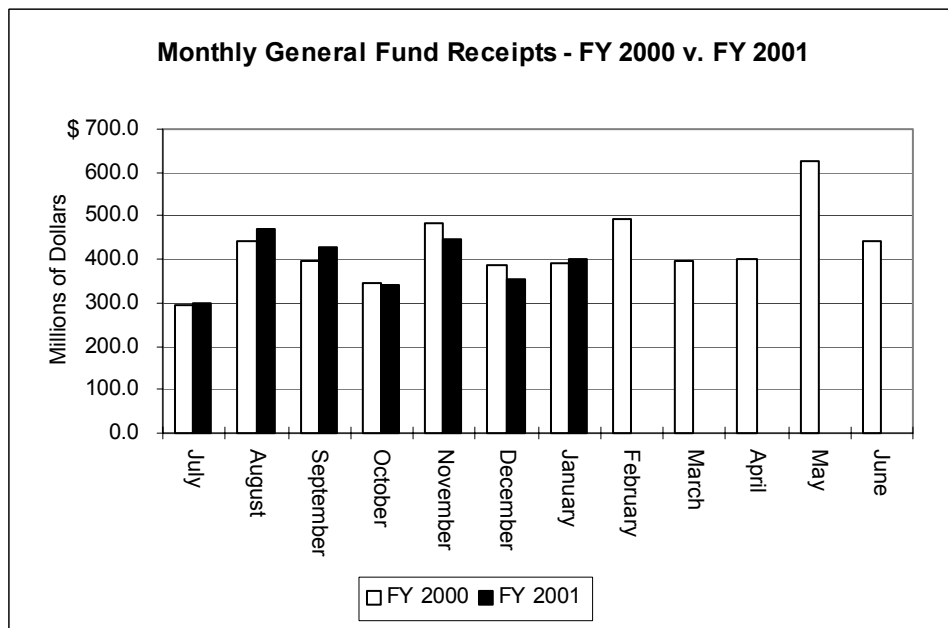
TO: Members of the Iowa Senate and  
Members of the Iowa House of Representatives

FROM: Dennis C. Prouty

DATE: February 1, 2001

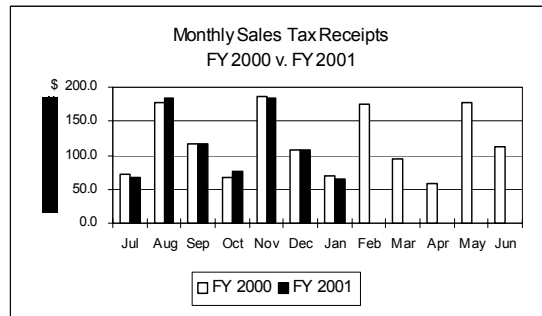
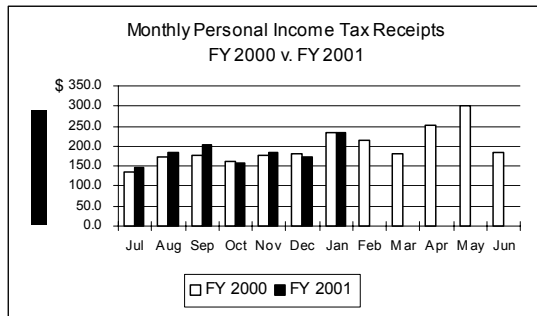
### General Fund Receipts Through January 31, 2001

The attached spreadsheet represents total FY 2001 estimated General Fund receipts, with comparable figures for actual FY 2000. These can be compared to the latest FY 2001 estimate (\$5.275 billion) set by the Revenue Estimating Conference (REC) on December 8, 2000. The estimate represents an increase of \$178.4 million (3.5%) compared to actual FY 2000.



## FY 2001 Compared to FY 2000

Year-to-date FY 2001 revenue increased by \$5.5 million (0.2%) compared to FY 2000. This is below the REC estimate of 3.5% for FY 2001.



**Gross personal income tax** revenues received in January totaled \$232.2 million, a decrease of \$2.7 million (-1.1%) compared to January 2000.

The REC FY 2001 income tax estimate of \$2.524 billion represents a projected increase of 6.2% compared to actual FY 2000. The year-to-date growth in personal income tax is currently 2.8%.

Withholding receipts decreased in January by 2.8% compared to January 2000, while estimated payments increased 5.0%.

The Chart above compares monthly personal income tax receipts for FY 2000 with FY 2001.

**Sales tax** receipts in January totaled \$65.4 million, a decrease of \$4.9 million (-7.0%) compared to January 2000.

The REC estimate for FY 2001 sales tax receipts is \$1.469 billion, which represents an increase of 3.7% compared to actual FY 2000. The year-to-date growth in sales tax is currently 0.2%.

The Chart above compares monthly sales tax receipts for FY 2000 with FY 2001.

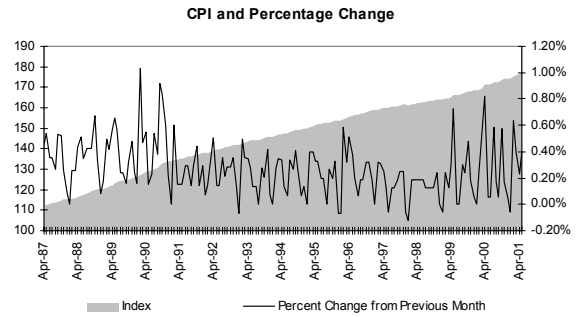
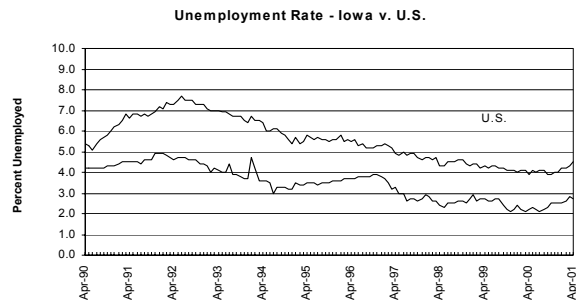
**Corporate income tax** receipts increased in January by \$6.3 million (29.0%) compared to January 2000.

The REC projected FY 2001 corporate income tax receipts at \$319.6 million, a decrease of 2.0% compared to actual FY 2000. The year-to-date decrease in corporate income tax is currently -6.7%.

## Status of the Economy

The seasonally adjusted percent unemployed for the State in December remained unchanged from November's rate of 2.5%. The unemployment rate a year ago was 2.2%. Iowa's total December employment registered at 1,533,100, down from November's level of 1,544,800. The number of unemployed persons in Iowa stood at 39,700 in December, which is up from November's level of 39,200. The U.S. unemployment rate was 4.0% for December, unchanged from November's rate.

Consumer prices in December declined by 0.1% from November's level. The Consumer Price Index (CPI-U) through December 2000 was 174.00 (1983=100), which is 3.4% higher than one year ago. The following series illustrate U.S. and Iowa unemployment comparisons and the CPI through December 2000.



Information related to State General Fund receipts is available electronically through the Fiscal Bureau's Electronic Publishing of Information System (EPI). If you have questions regarding this service, you may contact Glen Dickinson (515-281-4616).

GENERAL FUND RECEIPTS - FY 2000 vs. FY 2001 July 1 through January 31, in millions of dollars Dollars may not add due to rounding							ESTIMATED GENERAL FUND RECEIPTS in millions of dollars FY 00 Actual Compared to FY 01 REC Estimate						
	FY 2000		FY 2001		Year to Date		January		Actual		Estimate		% CHANGE
		% CHANGE		% CHANGE		% CHANGE		% CHANGE	FY 2000	FY 2001			
Personal Income Tax	\$ 1,242.5		\$ 1,277.2	2.8%		-1.1%			\$ 2,375.9	\$ 2,523.9		6.2%	
Sales Tax	799.8		801.4	0.2%		-7.0%			1,416.6	1,469.0		3.7%	
Use Tax	143.9		149.7	4.0%		30.9%			246.8	253.0		2.5%	
Corporate Income Tax	161.7		150.8	-6.7%		29.0%			326.1	319.6		-2.0%	
Inheritance Tax	78.9		58.6	-25.7%		35.4%			114.8	103.0		-10.3%	
Insurance Premium Tax	0.1		0.5	400.0%		n/ m			120.2	122.0		1.5%	
Cigarette Tax	53.6		51.8	-3.4%		-2.7%			91.1	90.5		-0.7%	
Tobacco Tax	4.0		3.8	-5.0%		-16.7%			6.6	7.2		9.1%	
Beer Tax	8.3		8.3	0.0%		-8.3%			13.6	13.8		1.5%	
Franchise Tax	17.5		17.6	0.6%		0.0%			31.8	31.9		0.3%	
Miscellaneous Tax	1.2		3.0	150.0%		-271.4%			1.3	1.3		0.0%	
Total Special Taxes	\$ 2,511.5		\$ 2,522.7	0.4%		2.3%			\$ 4,744.8	\$ 4,935.2		4.0%	
Institutional Payments	26.3		27.4	4.2%		233.3%			49.7	48.5		-2.4%	
Liquor Transfers:													
Profits	20.0		21.0	5.0%		-14.3%			36.0	36.0		0.0%	
7% Gross Revenue	5.3		5.3	0.0%		0.0%			9.0	9.0		0.0%	
Interest	15.5		12.2	-21.3%		-40.0%			26.0	20.0		-23.1%	
Fees	36.7		40.9	11.4%		21.8%			66.3	65.7		-0.9%	
Judicial Revenue	24.3		23.2	-4.5%		-18.9%			52.3	56.0		7.1%	
Miscellaneous Receipts	37.4		29.8	-20.3%		87.0%			52.7	44.8		-15.0%	
Racing and Gaming Receipt	60.0		60.0	0.0%		0.0%			60.0	60.0		0.0%	
TOTAL RECEIPTS	\$ 2,737.0		\$ 2,742.5	0.2%		3.3%			\$ 5,096.8	\$ 5,275.2		3.5%	